



## Legislation Text

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**TAMRMS#: B09**

### **Capital Prioritization Matrix**

Presented by: Diane McMordie, Director, Finance & Assessment/CFO

### **RECOMMENDED MOTIONS**

That the Community Growth and Infrastructure Committee recommend to Council:

1. That the "Capital Prioritization Matrix" provided as an attachment to the September 14, 2020 agenda report titled "Capital Prioritization Matrix", be received as information
2. That by June 2021, CGISC is presented with options and recommendations for amendments to the capital planning and funding processes that support a long term strategy for the future growth of the community.

### **PURPOSE OF REPORT**

To provide the Committee with information as to the details of the criteria utilized by the Chief Administrative Officer when determining the capital projects to be recommended for funding to Council as part of the annual budget process. While other considerations may also inform the recommendations, the Capital Prioritization Matrix plays a major role in the decision making process.

Administration is also seeking the Committee's input on future enhancements to our capital budgeting processes.

### **ALIGNMENT TO COUNCIL STRATEGIC PRIORITY**

N/A

### **ALIGNMENT TO SERVICE DELIVERY**

Financial Planning  
Municipal Capital Budget Development

Budget is prepared and approved by Council for a rolling ten (10) year period with the approval to execute one year of the plan.

The annual approval of the capital budgets is complete by December 31 of each year.

Available capital dollars are used towards the repair, maintenance and replacement of

existing assets prior to consideration of new capital growth projects and assets.

Capital Charters are prepared and prioritized for new investments using the established prioritization criteria.

## **ALIGNMENT TO COUNCIL (OR COMMITTEE) DIRECTION OR MANDATORY STATUTORY PROVISION**

On February 26, 2018 Council passed the following motions:  
(AR-18-084)

"That the Capital Project Prioritization Matrix provided as an attachment to the February 26, 2018 agenda report entitled Capital Projects Prioritization Criteria, be approved."

"That Administration utilize the Capital Project Prioritization Matrix in the development of funding recommendations for growth capital projects in the 2019 Business Plan and Budget Cycle."

On May 13, 2019 the Governance, Priorities and Finance Committee passed the following motions:  
(AR-19-099)

That the Governance, Priorities and Finance Committee recommend to Council:

1. That the "Capital Project Prioritization Matrix" provided as an attachment to the May 13, 2019 agenda report titled "Capital Project Prioritization", be approved.
2. That Chief Administrative Officer be directed to utilize the Capital Project Prioritization Matrix in the development of funding recommendations for growth capital projects in the 2020 and future Business Plan and Budget Cycles.

## **BACKGROUND AND DISCUSSION**

In 2018, in recognition of a likely future of strained capital resources, Administration worked with Council to develop a process/scoring matrix to inform the prioritization of municipal investments to ensure that funding was being directed at those projects with the most significant impact on the community.

Initially informing capital recommendations for the 2019 budget year, the prioritization matrix was further refined during 2019 and was again used to inform recommendations for the 2020 budget process.

The implementation of this prioritization matrix should be deemed successful given that Council has, in large part, agreed with the Administrative recommendations and the amount of time and motions related to capital projects during the budget process has been reduced significantly. Also noteworthy, a few surrounding municipalities have sought information about our matrix and processes, and either have or are considering, implementation.

There has been no further amendments to the matrix since Council approved on May 13, 2019 and it is Administrations intent to utilize the matrix as the primary basis for recommendations for project funding for the 2021 budget.

### Next Steps

Under the goal of continuous improvement, Administration has been considering what gaps may still exist in our capital processes and in what ways can we ensure that our capital investments support a long term strategy to build a “complete” community.

Some of the questions we have been asking are the following:

1. Should we look at a longer term funding strategy (ie 5 years)?
2. Should we limit the unfunded portion of our capital plan?
3. Should the available funding be “split” or “directed to” pre-defined areas by percentage or another means (ie X% transportation, x% recreation/culture, x% corporate infrastructure etc. and then prioritized within those categories.
4. Should required planning work (ie. MDP, Transportation master plan etc.) be funded through a different source?
5. What criteria should be considered before debt funding is recommended?

Administration is seeking committee input into which of the above should/should not be pursued as well as any other ideas of what could be looked at.

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

Each project has been assessed and scored in a collaborative manner. A capital prioritization cross functional team has been established which includes members from Finance, Engineering, Capital Projects Office, the Project owner and a impartial Director. This process of scoring projects ensures consistency while incorporating input from areas of different expertise and perspective.

## **IMPLICATIONS OF RECOMMENDATION(S)**

### Financial:

None at this time

### Legal / Risk:

None at this time

### Program or Service:

None at this time

### Organizational:

None at this time

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

N/A

Report Date: September 14, 2020

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Chief Administrative Officer: Kevin Scoble